



# **Economic Development Plan**

## **CY 2012 Annual Report**

### **Choosing to Compete in the 21st Century**

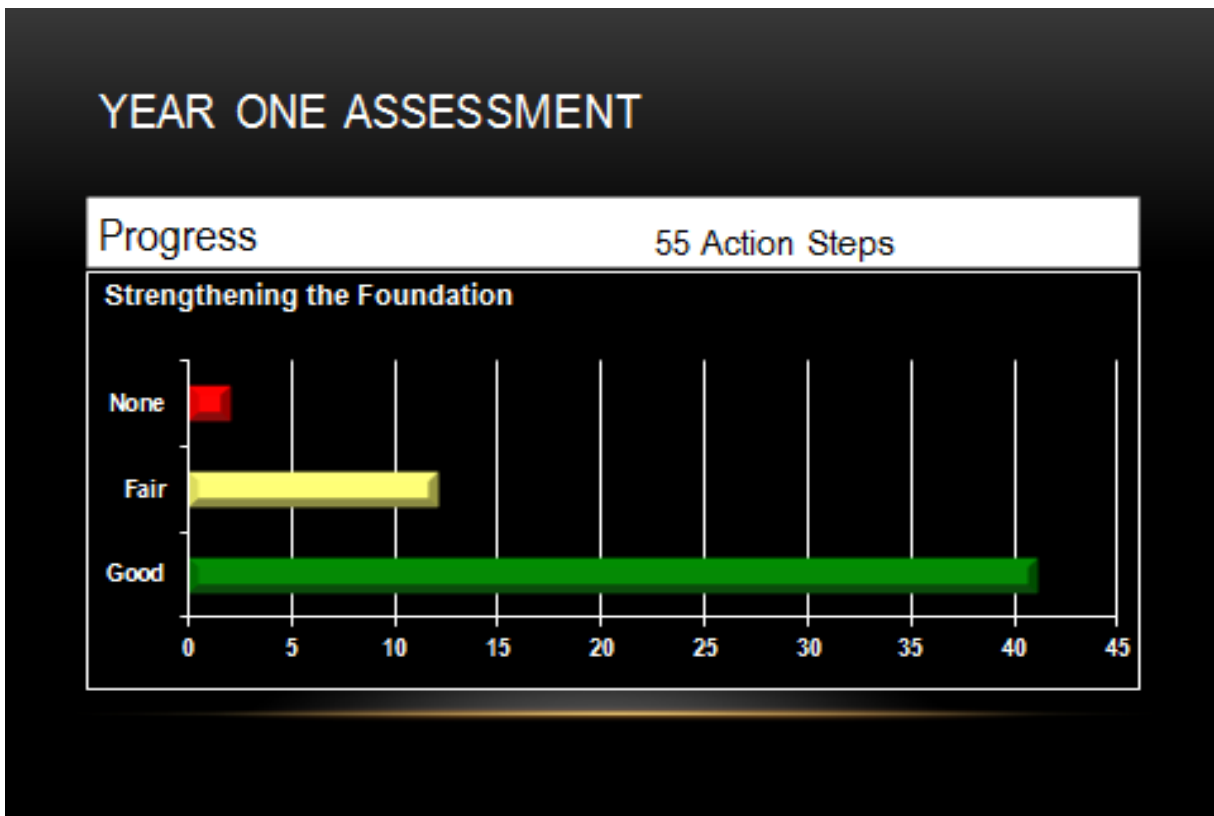
This report represents an assessment of the progress made on the 55 actions steps of the Economic Development Plan. It includes accomplishments, work in progress, and next steps.

**March 2013**

## TABLE OF CONTENTS

CATOGORY FOR ACTION	PAGE
WORKFORCE DEVELOPMENT	2
INNOVATION & ENTREPRENEURSHIP	12
REGIONAL DEVELOPMENT	20
EASE OF DOING BUSINESS	26
COST COMPETITIVENESS	32

## PROGRESS SUMMARY:



# 1. ADVANCE EDUCATION AND WORKFORCE DEVELOPMENT FOR MIDDLE SKILL JOBS THROUGH COORDINATION OF EDUCATION, ECONOMIC DEVELOPMENT AND WORKFORCE DEVELOPMENT PROGRAMS



## 1.1 Design and develop a cohesive, coordinated workforce development system with clear leadership

### ► 1.1.1 Action Step

Build a coordinated system that meaningfully includes all “middle skills” education and workforce training providers, such as community colleges and other higher education institutions, vocational-technical schools, workforce investment boards, community-based organizations, and unions, together with coordinated participation by employers, and that directs funding to the most effective providers for each workforce need

### 1.1.1 Progress

- **Director of Workforce Development** – A new position was created to coordinate efforts across secretariats – Executive Offices of Economic Development, Education, and Labor and Workforce Development. This position was filled by Marybeth Campbell.
- **Strategic Plan** – Secretaries Bialecki, Reville, and Goldstein developed a strategic plan for building a robust workforce
- **Career Pathways Committee** – this Committee was created within the Mass Workforce Investment Board to identify and scale career pathway models and develop statewide practice for regional strategic planning. The Committee is comprised of the Workforce Investment Board, community college, state university, K-12, vocational schools, labor, CBO and business leaders.
- **Leadership** – Governor Patrick hosted the [first meeting](#) of the Commonwealth’s community college Board Chairs to discuss the implementation of the community college plan. The fifteen newly-appointed Chairs will partner with the Administration to create a more integrated, effective community college system responsive to both local and statewide employer needs that gives community colleges additional capacity to expand student access to high-quality, relevant educational and training programs.

### 1.1.1 Next Steps

- Devise policy recommendations and/or revisions to support and promote regional career pathways
- Facilitate communications program at the state and regional levels to ensure the career pathways system is created, sustained, and effective
- Establish and implement Statewide-Regional Strategic Planning Process
- Maintain cross secretariat coordination to effectively manage and implement all programs and initiatives

### ► 1.1.2 Action Step

**Develop and build awareness of education and workforce training pathways that provide continuing “stackable” opportunities for additional achievement, from internship, apprenticeship, certificate and licensure programs through associate, bachelor’s and advanced degree programs – building on current pathways initiatives within our education and workforce training sectors.**

### 1.1.2 Progress

- The US Department of Labor issued a \$20 Million grant to 15 Community Colleges to create collaborative, statewide change in the delivery system of education and training programs for workers eligible under the Trade Adjustment Assistance Act. This program will enroll 4,000 students and place 2,800 in employment over three years.
- Massachusetts joined the *Pathways to Prosperity* network to design 6-year career pathways in three key regional labor markets beginning with 9<sup>th</sup> grade through attainment of a degree or certificate and employment with participating business.
- MA Association of Vocational Administrators and MA Executive Office of Community Colleges recently signed six new statewide articulation [agreements](#) to allow vocational students to enroll at any community college and be awarded credits for work completed at the vocational high school level. It also supports a seamless continuum of education for students while streamlining the agreement process.
- Lieutenant Governor announced Massachusetts received a [\\$300,000 national grant](#) from the Robert Wood Johnson Foundation to help current and future nurses seeking to advance their academic preparation within the nursing profession to enhance the Administration’s overall plan to support jobs, education and workforce development and helps to address the growing demands and challenges of the health care environment currently facing the country. The [Board of Higher Education endorsed](#) Nursing and Allied Health Workforce Plan.

### 1.1.2 Next Steps

- Implement first year of Pathways to Prosperity in September 2013
- Announce new grants for Gateway Cities Career Academies
- Department of Elementary and Secondary Education, Career Vocational technical Office will focus on adding 10 additional statewide articulator agreements with community colleges.
- Explore options to expand MassTransfer and MA Colleges Online to include pathways from vocational technical schools to community colleges and acceptance of high school dual enrollment/articulated credits at four-year public colleges.
- Replicate and scale opportunities for [dual enrollment](#)
- Implement workforce plan for Nursing and Allied Health and translate strategies articulated in this plan into campus-level investments and implementations.

### ► 1.1.3 Action Step

**Develop consistent evaluation and accountability measures within the coordinated system to assess the quality and effectiveness of programs, including performance incentives**

### 1.1.3 Progress

- [Annual Performance Report for Massachusetts Workforce Development Services and Programs](#) – This report includes the primary programs for workforce development administered by state agencies.
- [Vision Project](#) – The Performance Incentive Fund is a cornerstone of the Vision Project, the state's master plan to establish the Commonwealth's system of public higher education as a national leader in educating students to be productive workers and engaged citizens.
- [Measuring the Business Impact of Workforce Development](#) – Commonwealth Corporation's report examines the challenges and opportunities of measuring the impact of workforce development programs on employers
- Interagency Policy and Performance Team – This team comprised of a cross section of key stakeholders focused on alignment of state and regional priorities and designing career pathways to meet business and worker needs.
- The FY13 Community College Funding Formula Requirement includes:
  - Accurate enrollment data for each college
  - Operational goals and requirements
  - Institutional performance with clearly defined metrics
  - Relationship of allocation formula to state initiatives relative to innovation and institutional action supporting workforce development

### 1.1.3 Next Steps

- File the new funding formula model for community colleges with the legislators for approval in FY14 budget
- Continue posting relevant reports on programs, results, and effectiveness
- Summarize findings

### ► 1.1.4 Action Step

**Protect and maintain full funding of currently well-performing programs such as the Workforce Training Fund**

### 1.1.4 Progress

- Workforce Training Fund established as a Trust thereby maintaining full funding explicitly workforce training activities
- [Awards](#) were made to 87 companies in January 2013.

### 1.1.4 Next Steps

- Continue to promote the Workforce Training Fund as an effective means to train workers throughout the state



**1.2 Improve responsiveness of workforce programs for business and workers that will meet the demands of the marketplace**

### ► 1.2.1 Action Step

**Continuously assess the workforce needs of regional employers in a collaborative process that includes all “middle-skills” education and workforce training providers, building on the collaborative example of education, economic development, and workforce development participants on the North Shore**

### 1.2.1 Progress

- The Executive Office of Labor and Workforce Development, Commonwealth Corporation and the New England Public Policy Center of the Federal Reserve Bank recently issued regional market supply and demand [reports](#) for 8 sub-state regions of the state.

### 1.2.1 Next Steps

- Commonwealth Corporation to issue a full statewide supply and demand report
- EOLWD to issue results of the state's Job Vacancy Survey in early 2013
- Continue focus on improving data and data distribution to key stakeholders, including wage-record matching agreements between the MA Department of Higher Education and Executive Office of Labor and Workforce Development
- Finalize contract for real time job board aggregator for use among WIBS, OSCC and Community Colleges and provide professional development for those expected to use the tool

### ► 1.2.2 Action Step

**Develop and implement education and workforce development programs that are responsive to the workforce needs of regional employers and that build on existing "best practice" models, starting with the health care, life science, technology and advanced manufacturing sectors**

### 1.2.2 Progress

- Developed and implemented a rolling application process for businesses and for consortia applications. This makes the Workforce Training Fund more accessible and flexible for applicants.
- **Performance Incentive Fund** – \$4 million was awarded to 15 community colleges to increase skill training, workforce alignment and continue to develop a unified and strengthened community college system.
- **Rapid Response Incentive Program** – \$500,000 was made available through the Department of Higher Education for Rapid Response incentive grants for accelerated degree programs and/or working adults programs to align with workforce
- Vocational schools and community colleges are in the process of cross-pollinating their boards in order to coordinate better and response to business needs
- Commonwealth Corporation issued [new funds](#) for training and partnership developed through the recapitalized Workforce Competitiveness Trust Fund (WCTF).
- Via the Advanced Manufacturing Collaborative:
  - Established new manufacturing consortium in the Northeast based on the Precision Manufacturing Regional Alliance Project (PMRAP) model
  - Initiated similar consortium development work with the Southeast
  - Issued 10 new grants to vocational schools, community colleges and workforce investment boards through **AMP It Up** campaign to promote awareness and education for careers in manufacturing.

### 1.2.2 Next Steps

- Issue funds to implement Rapid Response grants
- Make award through Workforce Competitive Trust Fund in Spring 2013
- Work with Mass Development and the AMC to provide technical assistance for the manufacturing consortia across the state
- Focus on replicating similar industry response teams for sectors in information technology and life sciences
- Complete website development for AMP It Up Campaign that includes robust information on careers in manufacturing
- Develop a pilot project that includes sharing information on existing labor market tools and post-secondary attainment goals in three community college regions to illustrate how existing tools may help with campus strategic planning
- Explore implementing a statewide career readiness certificate
- Research and pilot new models to address work readiness skills gap for unemployed/disengaged

### ► 1.2.3 Action Step

**Increase the range of individuals effectively served by education and workforce training programs, particularly among low-skilled workers, unemployed and underemployed populations, new residents to the state, veterans, persons with disabilities, ex-offenders, dropouts, non-graduating completers, and those seeking ABE/ESL and remedial training**

### 1.2.3 Progress

- In January 2013, Governor Patrick signed the [“Virtual Schools”](#) bill expanding online educational opportunities for students across the Commonwealth. This Bill also secures proper state oversight of virtual schools to ensure that all students receive a high quality education.
- Governor Patrick signed the Veterans' Access, Livelihood, Opportunity, and Resources (VALOR) law, which streamlines the professional licensure process for active duty military service members, military veterans, and military spouses. It also increases support for veteran-owned businesses, provides other benefits for families and greater access to higher education.

Read more:

- [MetroWest Daily News](#)
- [Wicked Local](#)



### 1.2.3 Next Steps

- Explore implementing a statewide career readiness certificate for under/unemployed and disconnected adults
- Research and pilot new models to address work readiness skills gap for unemployed/disengaged.



## 1.3 Prioritize goals of the State STEM Plan that align with middle-skill jobs

### ► 1.3.1 Action Step

**Focus the efforts of public and private participants on the expansion of “best practice” STEM programs, building on the Commonwealth’s “@Scale” initiative**

#### 1.3.1 Progress

The Governor’s STEM Council launched the [@Scale](#) program to focus public and private resources in support of an integrated portfolio of education enhancement projects aligned to achieve the goals of [Massachusetts STEM Plan](#). This program calls for a \$1:\$3 public/private funding match to support the scale-up of projects selected for this portfolio. The Commonwealth has committed \$1M with the goal to secure \$3M in matching private or other funding sources.

- Phase I of @Scale addressed Student Interest and Student Readiness (Goals 1 & 3 of the State STEM Plan). Seven projects have been selected through a competitive process and endorsed by the STEM Council. Funding partners have been engaged to complete the funding match for these projects.
- Announced five [new grants](#) for Phase II of @Scale addressed College Graduation Rates and Workforce Development (Goals 4 & 6 of the State STEM Plan). This phase was launched in August 2012 with a \$400K commitment of public funds requiring a \$1.2M private/other match.

The Governor’s STEM Advisory Council added a sixth goal concerning workforce development to the state STEM Plan. The new goal aims to align STEM education programs with the workforce needs of key economic sectors in order to achieve the following:

- Improve the competence (knowledge, skills and attitudes) of current and prospective workers for in-demand career tracks across relevant job levels,
- Increase the availability and diversity of STEM competent workers to support the replacement (retirement) and growth needs of employers,

- Increase total employment of the STEM workforce, regionally and statewide.

### 1.3.1 Next Steps

- Launch Phases III and IV of @Scale – Phase III will focus Science Inquiry and Applied Mathematics at the middle and high school level and address Student Academic Achievement and Educator Effectiveness (Goals 2 and 5 of the State STEM Plan). Phase IV will focus on Pre-K, Elementary and After School addressing Student Interest and Educator Effectiveness (Goals 1 and 5 of the State STEM Plan)
- Develop strategies to implement new workforce development goal in the STEM 2.0 Plan

### ► 1.3.2 Action Step

**Increase the attractiveness of STEM careers to both students and teachers, including increasing their exposure to role models in STEM careers, through expanded internship and externship opportunities and other means**

### 1.3.2 Progress

- Lt Governor Murray announced [\\$780,000 in funding to promote and advance](#) Science, Technology, Engineering, and Math (STEM) education, jobs and workforce development as he welcomed over 1,000 educators, business leaders, and government officials to the 9th Annual STEM Summit at Gillette Stadium.
- Announced and launched the new [AMP It UP!](#) Campaign to promote careers in advanced manufacturing.
- The [Leadership Initiatives for Teaching and Technology](#) (LIFT<sup>2</sup>) offers middle school and high school math, science, and technology teachers a research-based professional learning program that integrates graduate coursework with authentic and relevant **externships** in "innovative" industries in Massachusetts.
- Governor Patrick announced a new year-long internship program for college students interested in [careers in clean energy](#).

### 1.3.2 Next Steps

- Continue to promote STEM Council's [WOW campaign](#) via the Council's Public Awareness Committee
- Coordinate efforts between the Council's Public Awareness Committee and outreach campaigns like AMP IT UP!
- Continue to promote access to internships through programs at MA Life Science Center, MA Clean Energy Center, pending Information Technology Internships via MTC, and through work to identify STEM-internship opportunities within state agencies.

### ► 1.3.3 Action Step

**Increase the number of STEM programs that provide effective “hands on” learning experiences, including by increasing the number of public school facilities that are appropriately equipped to enable such experiences**

#### 1.3.3 Progress

Massachusetts has implemented a system of seven [Regional STEM Networks](#) to convene community representatives (K-12 educators, business/industry, non-profit programs, and higher education) in support of regional needs for STEM education. These networks are an excellent source for information about a wide range of local STEM activities, resources and events. Some recent activities include:

- An annual STEM Expo conducted by the South Coast STEM Network – The most recent Expo was attended by 500 middle school students who engaged in hands-on exhibits to learn about exciting career opportunities.
- A partnership of Intel Corporation, the Latino STEM Alliance, and the Central STEM Network established an incentive fund to address the needs of the Latino students for STEM education programming.
- The creation of an award winning webzine called “*STEM MATTERS*” at the Northeast STEM Network that connects teachers, students, and parents to the wide range of opportunities in STEM.
- Regional science fairs organized and supported by four of the seven networks – The [Massachusetts Afterschool Partnership](#) (MAP) is the recipient of a planning grant from the Noyce Foundation to promote statewide afterschool network collaborations for informal science education. The planning grant is designed to support MAP's role as an intermediary for infusing STEM into expanded learning, afterschool and summer programs along with broader system-building efforts.
- [\\$3.2 million in grants](#) to support the purchase of life sciences training equipment and supplies at vocational technical schools, public high schools in Massachusetts' Gateway Cities, and workforce training programs across the state.

#### 1.3.3 Next Steps

- Leverage Regional STEM Networks in the tri-Secretariat Career Pathways Regional Planning Strategy
- Advise Lt Governor and the Executive Office for Administration and Finance on the implementation of pending equipment grants for vocational schools to provide hands-on learning in STEM fields.

### ► 1.3.4 Action Step

**Ensure that STEM programs are designed in a way to increase STEM interest and achievement across all populations, especially those currently under-represented in STEM careers**

#### 1.3.4 Progress

- **ABLE-4-STEM:** This innovative program is aimed at doubling the number of underrepresented minority students graduating with Science, Technology, Engineering, and Mathematics (STEM) degrees from the University of Massachusetts and the state's 15 community colleges.

#### 1.3.4 Next Steps

- Monitor implementation of @Scale projects designed to address achievement across under-represented populations including:
  - ABLE-4-STEM to develop pathways in engineering and biology for implementation across the University of Massachusetts statewide system and the state's Community College system to help double the number of STEM degrees awarded to underrepresented minority students at both associated and bachelor's degree levels over a 4 year period.
  - The Career Vocational Technical Education STEM Western Regional Partnership is made up of four regional vocational technical high schools (McCann, Putnam, Franklin and Westfield) and three community colleges (Berkshire, Springfield and Greenfield). This partnership will:
    1. recruit and prepare youth ages 18-24 for careers in advanced manufacturing sectors
    2. increase the percentage of associate's and bachelor's degree recipients in STEM-related advanced manufacturing programs
    3. attract more students, especially those from low-income and underrepresented groups, into STEM
    4. enhance teacher professional development through cross-training and peer training in STEM areas linked to advanced manufacturing.

## 2. SUPPORT INNOVATIONS AND ENTREPRENEURSHIP



### 2.1 Strengthen and Support our Innovation Community

#### ► 2.1.1 Action Step

**Establish a consistent pattern of state support for collaborative research and development among universities and businesses, building on the examples of the Holyoke Green High Performance Computing Center and the Massachusetts Life Sciences Center's cooperative research matching grant program**

#### 2.1.1 Progress

- **Massachusetts Green High-Performance Computing Center** – Governor Patrick cut the ribbon and officially opened the Massachusetts Green High-Performance Computing Center. In conjunction with five Massachusetts research universities, and EMC and Cisco, the Computing Center will provide state-of-the-art computational infrastructure that will lead to enhanced data analysis and research. The MGHPCC is a pillar of the state's Big Data Initiative and the MGHPCC universities have already successfully competed for over \$2 million in federal support for collaborative research.
- A \$50 million matching fund was established for **Scientific & Technology Research & Development** to establish consistent pattern of state support for collaborative research and development among universities and businesses
- Supported multiple federal applications by research collaborations of industry and multiple universities
- Established consistent message with multiple partners on collaborative priority

#### 2.1.1 Next Steps

- Continue to convene major university and industry leaders to maintain a focus on collaboration
- Implement research and development fund through MTC
- Support 3 – 4 projects or initiatives that exemplify collaborative research and development principles
- Track adoption of collaborative R & D principles by partner agencies

### ► 2.1.2 Action Step

**Under the leadership of the Massachusetts Technology Collaborative, identify three to five emerging areas of global innovation excellence in the Commonwealth and support public-private collaborations to accelerate the growth of such areas, building on the example of Mass Insight's Advanced Cyber Security Center initiative**

### 2.1.2 Progress

- Sectors identified – Big Data, Digital Games, Health IT, Mobile Communications, Robotics and Advanced Manufacturing
- Governor Patrick and Secretary Bialecki participated in the opening of [hack/reduce](#), a new Cambridge-based Big Data non-profit. hack/reduce was established in partnership with the Patrick-Murray Administration, a number of local and global [firms committed to innovation](#), and in collaboration with MIT, Harvard and other local universities. hack/reduce provides the community with access to high-performance computing clusters, petabyte data sets, and training from the best academic and technology leaders in Boston. Since opening its membership application process last month, hack/reduce has received more than 50 membership applications for contributors and resident hackers from around the world. One of the first Resident Hackers will be [sqrrl](#), a start-up company spun out of the National Security Agency (NSA), which is addressing Big Data security. For more on hack/reduce, read [The Boston Globe](#) story.
- Created the Big Data Consortium
- Roundtables conducted with Big Data, Health IT, Mobile Communications and Robotics

### 2.1.2 Next Steps

- Complete the Advanced Manufacturing Technology Infusion Project
- Lead Big Data *“hackathon”* grand challenge

### ► 2.1.3 Action Step

**2.1.3 Increase by 20% annually over the next five years state funding of capital, mentoring, and advice, including incubator and/or accelerator programs, for early stage entrepreneurs and small businesses, building on the example of Mass Challenge**

### 2.1.3 Progress

- \$250,000 was allocated Massachusetts Technology Collaborative to provide mentoring and advice, including incubator and/or accelerator programs for early stage entrepreneurs and small business.
- The Massachusetts Technology Development Corporation (MTDC) launched the [SBIR Targeted Technologies](#) (START) program; dedicating \$3 million over three years to support the development of successful SBIR Phase II recipients accelerate their growth.
- Winn Development is developing a 43,000 sq. ft. medical device start-up accelerator in the Boott Mills in Lowell, MA to build off the success of the Medical Device Development Center at UMass Lowell.
- Valley Venture Mentors in Springfield, MA, with support from the Massachusetts Technology Collaborative, is developing the Pioneer Valley Innovation Challenge to accelerate start-ups in Western Massachusetts.
- Haverhill Hardware Horizon, an accelerator for manufacturing-related start-ups, is under development in Northeastern MA with assistance from the Massachusetts Technology Collaborative.

### 2.1.3 Next Steps

- Launch state support for 2-3 existing entrepreneurship-mentoring programs in regions throughout the state.
- Convene entrepreneurship mentoring programs and accelerators to share best practices and information.



## 2.2 Build and Retain Talent for the Innovation Economy

### ► 2.2.1 Action Step

**Increase by 20% annually over the next five years the number of internship placements made by multi-school, multi-employer internship programs, building on the examples of programs currently run by the Greater Boston Chamber of Commerce, the Federal Reserve Bank of Boston, Mass Technology Leadership Council, the Massachusetts Marketing Partnership, the Massachusetts Clean Energy Center and the Massachusetts Life Sciences Center, as well as newly proposed programs such as the Massachusetts Startup Fellows Program. The internship programs should, in particular, focus on facilitating the flow of young students into young companies to help them integrate into the local innovation economy**

### 2.2.1 Progress

- \$750,000 was allocated for the Talent Pipeline at Mass Technology Collaborative to provide a matching grant program aimed at increasing the number of tech sector internships to help them integrate into the local innovation economy

### 2.2.1 Next Steps

- Launch MTC Internship Program, partnering with technology organizations including MassTLC and New England Venture Capital Association.

### ► 2.2.2 Action Step

**Increase the production of rental apartment housing available in communities and regions of high market demand over the next five years, especially in or near locations with high levels of innovation and entrepreneurial activity, with the goal of significantly reducing the premium in rents between Massachusetts and the states with which we compete most directly for talent in our key industry clusters**

### 2.2.2 Progress

- Under the I-Cubed Program, Assembly Square project received \$34 million – groundbreaking took place in April 2012. The first phase includes 195 units of rental and homeownership units. In total, there will be 2,100 rental and homeownership units constructed, in addition to 1.75M square feet of office space, 1.15M square feet of retail, a new hotel and a new MBTA orange stop.
- City of Boston announced that over 300 housing units will be constructed by 2015. Of the 300 housing units, 230 units will be offered as rental housing.
- Department of Housing and Community Development announced the [Housing Development Incentive Program](#). This program, eligible to Gateway Cities, supports the revitalization of housing units through state tax credits.
- Secretary Bialecki met with NAIOP's Multifamily Housing Committee to discuss workforce housing challenges and opportunities in Massachusetts.
- Governors' Institute on Community Design and the Patrick-Murray Administration hosted a two-day workshop on Workforce Housing and Economic Competitiveness in Massachusetts. Over 60 stakeholders, including five state agencies, quasi-public agencies, developers, housing advocates and municipal and regional representatives, participated in the workshop. Stakeholder feedback will be incorporated into the Administration's focus on workforce housing.
- The Executive Office of Housing and Economic Development launched the Administration's [Housing that Works](#) website. In addition, a *Housing that Works* twitter account was launched. Tweet us @MAPPlanningAhead!



- Governor Patrick Outlined [Initiatives](#) Designed to Increase Housing in Massachusetts, Sets Statewide Goal of 10,000 New Multi-Family Units
- Recapitalized 40R and expanded 43D for residential

### 2.2.2 Next Steps

- Monitor and report progress on all programs and initiatives
- Continue communication program throughout the state



## 2.3 Expand our Culture of Innovation

### ► 2.3.1 Action Step

**Identify locally based accelerators for innovation and entrepreneurship in five of our “Gateway Cities” over the next two years and provide support for their growth through a competitive process**

### 2.3.1 Progress

- The Massachusetts Technology Collaborative took the lead in convening entrepreneurship support leaders in Gateway Cities, including Holyoke, Springfield, Lawrence, Lowell, Lynn and Worcester.
- The Massachusetts Digital Game Institute (MassDIGI) is developing a concept for an accelerator in Worcester with WPI, Becker College and other partners.
- Winn Development is developing a 43,000 sq. ft. medical device start-up accelerator in the Boott Mills in Lowell, MA to build off of the success of the Medical Device Development Center at UMass Lowell.
- Valley Venture Mentors in Springfield, MA, with support from the Massachusetts Technology Collaborative, is developing the Pioneer Valley Innovation Challenge to accelerate start-ups in Western Massachusetts.
- Haverhill Hardware Horizon, an accelerator for manufacturing-related start-ups, is under development in Northeastern MA with assistance from the Massachusetts Technology Collaborative. Partners in this project include the Merrimack Valley Sandbox in Lawrence, MA.

### 2.3.1 Next Steps

- Organize meeting of accelerators to share best practices
- Launch competitive funding process

### ► 2.3.2 Action Step

**Establish a national reputation within state and local government as “first adopters” of local innovation, building on the example of the “Mayor’s Office of New Urban Mechanics” in the City of Boston and of the Department of Housing and Community Development’s initiative to bring clean energy and energy efficiency innovations into public housing developments**

### 2.3.2 Progress

- Governor Patrick has named Tony Parham as the [Commonwealth’s first Government Innovation Officer \(GIO\)](#). In keeping with the Patrick-Murray Administration’s commitment to changing the way government does business, the GIO will work with the Administration to find innovative ways to improve efficiency and streamline the delivery of government services.
- The Massachusetts Office of Travel and Tourism launched a mobile app, “Ask a Local” to help tourists find local shops, restaurants, events and attractions.
- The Executive Office of Energy and Environmental Affairs launched a contest to develop [a mobile app for state parks and trails](#).
- The Executive Office of Housing and Economic Development launched a planning effort to develop mobile apps building on the success of the MBTA and other agencies

### 2.3.2 Next Steps:

- Launch Big Data civic engagement competition
- Catalog and promote innovations across agencies
- Promote goal of innovation at agencies



## 2.4 Support Growth to Scale

### ► 2.4.1 Action Step

**2.4.1 Increase by 20% annually over the next five years state funding of capital, mentoring and advice, including shared facilities for the making and testing of product prototypes, to support the growth of small and mid-sized businesses, building on the examples of the Massachusetts Growth Capital Corporation and the Treasurer’s Small Business Banking Partnership**

### **2.4.1 Progress**

- \$250,000 appropriation to Small Business Association of New England (SBANE) for Manufacturing Matching Grant Program
- \$450,000 match for technical assistance – Mass Growth Capital’s “Tools to Grow” program – piloted in Springfield

### **2.4.1 Next Steps**

- Identify Opportunities for shared use facilities and support one pilot
- Establish baseline for measuring growth across agencies

### **► 2.4.2 Action Step**

**Increase the participation of our small and mid-sized businesses in the supply chain of our major corporate operations, building on the example of the “BuyHere” initiative of the Associated Industries of Massachusetts**

### **2.4.2 Progress**

- SBANE sponsored defense industry supply chain event with Mass Development
- Raytheon sponsored Council on Competitiveness Forum focused on improving innovation in supply chain

### **2.4.2 Next Steps**

- Set calendar for supply chain matchmaking events with partners
- Hold 3 -4 events in 2013; follow up on results

### **► 2.4.3 Action Step**

**Raise the profile of advanced manufacturing as an integral part of our innovation economy by encouraging young people to enter the sector and by facilitating the adoption of local innovations into our small and mid-sized manufacturing businesses**

### **2.4.3 Progress**

- Launched Advanced Manufacturing Collaborative and Industry Report
- Launched “AMP It Up” – career promotional campaign at Mass Development
- 15 regional partners applied to participate in campaign

- The Massachusetts Manufacturing Extension Partnership (MassMEP) is launching a partnership with the UMass Amherst Innovation Institute to provide integrated services linking manufacturers to business services from MEP and UMass research centers.

### **2.4.3 Next Steps**

- Roll out AMP it Up
- Execute sustained multi-platform promotion
- Hold first annual manufacturing summit with regional open houses

### **► 2.4.4 Action Step**

**Make a systematic effort to work with growing Massachusetts companies to locate their call centers, other sales/marketing/customer service offices and other administrative offices within the state**

### **2.4.4 Progress**

- Massachusetts Office of Business Development incorporates business expansion discussion on all company visits to determine opportunity – of the 130 meetings, 13 businesses identified for further discussion
- MOBD acts as central point for economic agencies targeting business expansion and tracks data
- CEO and additional influencer target list developed for calendar 2013 outreach

### **2.4.4 Next Steps**

- Contact 50 businesses and business associations to determine opportunity
- Follow up as required

### **3. SUPPORT REGIONAL DEVELOPMENT THROUGH INFRASTRUCTURE INVESTMENTS AND LOCAL EMPOWERMENT**



#### **3.1 Make public infrastructure investments that support regional growth opportunities**

##### **► 3.1.1 Action Step**

**Plan ahead for growth by identifying priority development areas for job and housing growth through regional planning efforts that include public and private participation, building on the example of the recently completed South Coast regional plan and the currently on-going 495/MetroWest regional plan**

##### **3.1.1 Progress**

- Partnered with Merrimack Valley Planning Commission (MVPC) to adopt regional/state Priority Development Area (PDA)/Priority Protection Area (PPA) mapping in 15 communities.
- South Coast Rail Corridor communities and RPAs are currently conducting a 5-year update of the PDA/PPA mapping. It is anticipated this effort will deliver revised local and regional maps by June 2013 and potential state changes to mapping by Fall 2013.
- Central Mass Regional Planning Commission (CMRPC) and Metropolitan Area Planning Commission (MAPC) have independently continued regional planning in 44 communities (North Shore, South Shore, Blackstone Valley, and Central).

##### **3.1.1 Next Steps**

- Complete MVPC state mapping (hold final public forum, publish final maps)
- Continue work with CMRPC and MAPC to advance their efforts in 44 communities
- Identify next region for planning efforts
- Communicate future planning efforts

##### **► 3.1.2 Action Step**

**Target state infrastructure investments to identified priority development areas where prompt and predictable permitting has been established by local communities**

### 3.1.2 Progress

- Completed online interactive map with all known priority areas including Chapter 43D Districts, Chapter 43E Districts, Chapter 40R Districts, Growth Districts and Priority Development Areas
- Released retrospective Executive Order 525 [Report](#) detailing state investments in the South Coast Rail Corridor Region and consistency with the priority development areas
- Announced 26 new [MassWorks Infrastructure Program Grants](#) totaling more than \$38 million. Through the MassWorks Program, the state collaborates with municipalities to support housing development, road safety, downtown revitalization, and economic development projects.
- Expanded 43D Expedited Permitting Program to include sites zoned for housing in the Jobs Bill signed in August 2012.
- Announced 15 South Coast Rail Technical Assistance Awards for FY13 – will further station area planning and zoning, economic development, transportation, housing plans, and zoning changes and open space preservation in the South Coast region

### 3.1.2 Next Steps

- Energy and Environmental Affairs (EEA) to conduct zoning analysis of state PDAs and PPAs in the 495 region
- FY12 South Coast Region Annual Update Report to be released
- Finalize revised 43D regulations to include new housing site option.

### ► 3.1.3 Action Step

**Enlist state agencies such as Mass Development and Mass Housing to provide targeted assistance to accelerating development within identified priority areas**

### 3.1.3 Progress

- Conducted briefing held for Mass Development staff to highlight regional planning efforts and priority areas associated with those efforts. Requested assistance from staff in all departments to ensure state assistance is targeted to, when possible and appropriate, identified priority areas.
- Mass Development worked with Natick on two projects
- MAPC identified 3 communities for District Local Technical Assistance funding – Bolton Millis and Medway) and is working with the “boroughs” on a park system plan
- EEA working closely with Shrewsbury on water issues

### 3.1.3 Next Steps

- Establish quarterly meetings with state and quasi agencies to discuss targeted assistance to communities and ensure coordination across agencies
- District Local Technical Assistance guidelines revised to reflect EOHEd's Planning Ahead for Growth strategy emphasizing the identification of housing districts in communities and further implementation of zoning and permitting to support already identified priority development areas

### ► 3.1.4 Action Step

**Identify or develop additional innovative public and private financing mechanisms for infrastructure investments in support of growth that would allow faster decision-making and execution and more local control**

### 3.1.4 Progress

- Adopted Local Infrastructure Development Program
- Adopted I-Cubed Program expansion; finalized regulations
- Amended bid requirements
- Streamlined District Improvement Financing (DIF) requirements
- Created Handbook for Infrastructure Financing for communities

### 3.1.4 Next Steps

- Mass Development to establish Local Infrastructure Development Program guidelines
- Publish Handbook for Infrastructure Financing



## **3.2 Create regional and local economic development teams led by municipal officials who are “CEOs for Economic Development”**

### ► 3.2.1 Action Step

**Within two years, ensure that at least 10% of the Commonwealth's cities and towns have engaged in a structured process, building on the example of Northeastern University's Economic Development Self-Assessment Tool, for establishing and implementing a collaborative local economic development strategy that includes regional and private sector participants and is led by the senior-most municipal officials**

### **3.2.1 Progress**

- 14.5%, or 51 municipalities have completed the self-assessment tool
- Several events throughout the state highlighting the program with a high level of local participation

### **3.2.1 Next Steps**

- Continue to promote assessment tool through academies and agency work with cities and towns to establish and implement a local economic development strategy



## **3.3 Educate regional and local officials, municipal leaders and their staffs**

### **► 3.3.1 Action Step**

**Establish and run annually a series of regionally-based economic development “academies” at which public and private participants experienced in economic development will conduct focused, intensive workshops on effective economic development strategies and techniques; economic development “best practices” will be shared and municipal accomplishments in economic development will be celebrated**

### **3.3.1 Progress**

- Mass Development coordinated five regionally based academies:
  - Fall River
  - Lawrence
  - Northampton
  - Devens
  - Framingham

### **3.3.1 Next Steps**

- Improve academy offerings by reviewing survey data from participants to develop additional focus in programs





## **3.4 Empower municipal leaders and their staffs with more local input and control**

### **► 3.4.1 Action Step**

**Give priority in state infrastructure investments to local priorities that have been evaluated and supported by a regional process, building on the examples of the South Coast regional plan and the infrastructure priorities established by the South Shore Chamber of Commerce**

### **3.4.1 Progress**

- MassWorks 2012 awards exceeded 25% target for regionally significant projects – 53% of the total funds awarded were dedicated to projects that were considered regionally significant.

### **3.4.1 Next Steps**

- Work with regional planning agencies and other state agencies to encourage projects from newly mapped regions to identify regionally significant projects
- Further define “regionally significant” in MassWorks Infrastructure Program guidance and application. As the regional planning process expands in the state, the threshold for what is considered regionally significant may need to be refined.

### **► 3.4.2 Action Step**

**Establish accountability that state infrastructure investments are being made in a manner responsive to local priorities, building on the example of Executive Order 525, which requires annual state reporting on the consistency of state investments with local priorities in the South Coast region**

### **3.4.2 Progress**

- Completed South Coast Region, Three Year Retrospective Report (FY09 – FY11)
- Posted South Coast Regional online map showing FY09-FY11 investment commitments and fiscal year spending
- Completed FY12 South Coast Regional Annual Update Report

### **3.4.2 Next Steps**

- Complete FY12 South Coast Region Annual Update Report

### **► 3.4.2 Action Step**

**Create a clear and transparent feedback mechanism for municipalities when local priorities are not funded**

### **3.4.2 Progress**

- MassWorks 2012 award announcements were made 9 weeks after application period closed
- All projects were notified in writing of approval or denial
- In person, debriefing session with MassWorks staff offered to applicants whose projects were denied

### **3.4.2 Next Steps**

- Continue conducting denied projects' sessions to explain decisions
- Publish examples of successful applications in each category (obtain permission from municipality)
- Incorporate feedback into 2013 program

## 4. INCREASE THE EASE OF DOING BUSINESS



### 4.1 Engage in on-going state regulatory review

#### ► 4.1.1 Action Step

**Building on recent legislative reforms, establish and implement a consistent and transparent process, which includes business and public participation and comment, for all Commonwealth regulatory agencies to identify the small business impacts of new regulations**

#### 4.1.1 Progress

- Established consistent and transparent implementation plan which includes both business and public participation
- 100% of administration agencies complying with small business impact statements for new regulations.

#### 4.1.1 Next Steps

- Maintain 100% compliance of agencies on small business impact statements

#### ► 4.1.2 Action Step

**Appoint a senior member of the Executive Office of Housing and Economic Development to serve as an internal regulatory “ombudsman” and work in partnership with the State Permit Ombudsman to address regulatory matters of interest to the business and development community**

#### 4.1.2 Progress

- State Regulatory Ombudsman appointed and working with State Permit Ombudsman, business groups and regulatory agencies
- Created ongoing marketing and communication plan for state regulatory reform progress

#### 4.1.2 Next Steps

- State Regulatory Ombudsman to continue this work

### ► 4.1.3 Action Step

**Establish an advisory group representing business interests to advise and inform the state decision-making process on regulation**

#### 4.1.3 Progress

- Established Business Advisory Group
- Prioritized regulations for investigations
- Conducting on going round table discussion to inform state

#### 4.1.3 Next Steps

- State Regulatory Ombudsman to continue to work with the Business Advisory Group and convene meetings as necessary

### ► 4.1.4 Action Step

**Building on recent legislative reforms, identify (with public and business participation) existing regulations within all Commonwealth regulatory agencies whose small business impacts could be reduced by limiting or eliminating the regulations, or by replacing them with model regulations widely accepted in other jurisdictions**

#### 4.1.4 Progress

- 446 regulations reviewed; 286 reforms identified
- Targeted 13% of regulation for repeal or improvement – at 14%
- Agencies are currently in third round of review

#### 4.1.4 Next Steps

- Implement regulatory changes
- Continue reviews and identify 100 additional reforms

#### ► 4.1.5 Action Step

**Provide periodic training to Commonwealth regulatory personnel on how to identify the small business impacts of regulation and how to reduce those impacts**

#### 4.1.5 Progress

- Conducted 3 training sessions

#### 4.1.5 Next Steps

- Conduct additional training sessions
- Produce and post training videos and Regulatory FAQ

#### ► 4.1.6 Action Step

**Ensure that when regulatory agencies issue “guidance”, the guidance should be explanatory and illustrative, and not a substitute for or addition to binding legal obligations, which should only be imposed through formal regulation**

#### 4.1.6 Progress

- Issue reviewed and no significant progress made; unlikely this issue will move forward with meaningful impact

#### 4.1.6 Next Steps

- There are no immediate next steps for this action item



## **4.2 Re-align business development efforts**

#### ► 4.2.1 Action Step

**4.2.1 Building on recent legislative reforms, continue the consolidation of state economic development agencies**

#### **4.2.1 Progress:**

- No consolidations completed

#### **4.2.1 Next Steps**

- There are no immediate next steps for this action item

#### **► 4.2.2 Action Step**

**Building on recent legislative reforms, establish annual business plans for all state economic development agencies, each having clear alignment with the Commonwealth's economic development strategy**

#### **4.2.2 Progress**

- Established annual business plans for economic development agencies with alignment to the state's economic development strategy
- Posted plans on the Office of Performance Management & Oversight (OPMO) [web site](#)
- Posted FY2012 Annual Reports on OPMO [website](#)

#### **4.2.2 Next Steps**

- Continue work with economic development agencies to develop plans for FY14
- Connect annual business plans with annual reports and recalibrate as necessary
- Communicate results

#### **► 4.2.3 Action Step**

**Building on recent legislative reforms, make regional economic development organizations true partners in all Commonwealth business development activities**

#### **4.2.3 Progress**

- Regional Economic Development Organization (REDO) Program Awards issued to economic development partners throughout the state
- Clear guidelines, work plans, and priorities established
- Monthly information reporting to Massachusetts Office of Business Development (MOBD)
- REDO Annual Meeting – discuss progress and best practice

### 4.2.3 Next Steps

- Streamlined FY14 on-line, application process
- Automated pipeline and result process



## 4.3 Market the strengths of doing business in Massachusetts

### ► 4.3.1 Action Step

**Under the leadership of MassEcon and the Massachusetts Marketing Partnership, increase by 20% annually over the next five years the number of private sector “ambassadors” sharing their knowledge and enthusiasm about the Commonwealth with businesses interested in locating or growing here, with a corresponding increase in the number of networking events, forums and marketing channels in which these ambassadors participate**

### 4.3.1 Progress

- Number of private sector ambassadors increased by over 20%; from 22 to 27

### 4.3.1 Next Steps

- Continue 20% increase annually
- Evaluate and set best practice for ambassador utilization

### ► 4.3.2 Action Step

**Under the leadership of the Massachusetts Marketing Partnership, in collaboration with the Massachusetts Convention Center Authority, leverage our status as a leading host of international scientific, medical and technical conferences to better connect and market our key industry clusters**

### 4.3.2 Progress

- Hosted **Mass Lounge** and participated in panel discussions at **PAX East** (one of the largest digital gaming conventions in the country)

- Hosted **Innovation Week** – represents collaboration with 8 conferences bringing together thousands of people from around the world focused on the innovation economy and Massachusetts as global leader
- Hosted International BIO Convention

### 4.3.2 Next Steps

- Increased presence at PAX East
- Continue Innovation Week

### ► 4.3.3 Action Step

**Under the leadership of the Massachusetts Marketing Partnership, in collaboration with Massport, increase the number of direct flights between Massachusetts and other global centers of activity for our key industry clusters**

### 4.3.3 Progress

- Completed [direct flight to Japan](#) – Japan Air

### 4.3.3 Next Steps

- Additional flights under discussion

### ► 4.3.4 Action Step

**Under the leadership of MassEcon and the Executive Office of Housing and Economic Development, develop and distribute marketing information showcasing an attractive variety of truly “development ready” sites across the Commonwealth, with supporting information regarding regional strengths, such as regions with a lower cost of doing business and a lower cost of living**

### 4.3.4 Progress

- Launched Market Ready 100 via MassEcon website

### 4.3.4 Next Steps

- Enhance Market Ready 100 to include more options across the state
- Add supporting information on regional strengths



## 5. ADDRESS OUR COST COMPETITIVENESS



### 5.1 Contain the increasing cost of health care while protecting access and quality

#### ► 5.1.1 Action Step

Continue to move away from fee-for-service health care payments and towards value-based global payments, with the goals of converting most health care payments (public and private) to other than fee-for-service by 2014 and of reducing disparities in pricing for services of comparable quality

#### 5.1.1 Progress

Overview of the *Healthcare Cost Containment Law*:

##### **Achieve Billions in Savings**

- Sets a first-in-the-nation target for controlling the growth of health care costs. The law holds the annual increase in total health care spending to the rate of growth of the state's Gross State Product (GSP) for the first five years, through 2017, and then even lower for the next five years, to half a percentage point below the economy's growth rate, and then back to GSP.
- Results in nearly \$200 billion in health care cost savings over the next 15 years, which will lead to up to \$10,000 in additional take-home pay, per worker, over 15 years.
- The average family will see an estimated savings of \$40,000 on their health care premiums over 15 years.

##### **Move to Alternative Payments**

- To control costs and improve quality of care, the law requires government agencies like MassHealth, the GIC, and the Connector to use global and other alternative payments to achieve savings for taxpayers.
- Encourages alternative delivery systems across health care fields to deliver additional savings for patients, business owners, and working families.

##### **Increase Transparency**

- The law also gives consumers better information about the price of procedures and health care services by requiring health insurers to provide a toll-free number and website that enables consumers to request and obtain price information.

#### **Address Market Power:**

- To monitor and address the market power and price disparities that can lead to higher costs, the law allows a Health Policy Commission to conduct a cost and market impact review of any provider organization to ensure that they can justify price variations. The law identifies triggers for when a provider or provider organization will be referred to the attorney general for investigation. An independent Center for Health Information and Analysis will conduct data collection and reporting functions.

#### **Promote Wellness:**

- The law creates a Wellness Fund of \$60 million administered by the Massachusetts Department of Public Health for competitive grants to community-based organizations, health care providers and regional planning organizations.

#### **Enact Malpractice Reform:**

- The law includes malpractice provisions proposed by Governor Patrick, requiring a “cooling-off” period before a party may initiate a suit, while making providers’ apologies inadmissible as evidence. Many studies show that an apology can prevent a lawsuit but due to the threat of litigation, providers have oftentimes remained silent.

#### **Support Health Information Technology**

- Massachusetts is already a national leader in adopting electronic health records and health IT efforts. The law complements these efforts, by advancing several health information technology programs, including the Executive Office of Health and Human Services' work with the Obama Administration to build and operate the statewide health information exchange.

#### **Director of the Center for Health Information and Analysis Named**

### **5.1.1 Next Steps**

- Continue implementation

### ► 5.1.2 Action Step

**Continue to enhance the role of consumer information and consumer choice, building on recent movements towards selective networks and tiered health care insurance products**

#### 5.1.2 Progress

- Office of Consumer Affairs and Business Regulations (OCABR) and the Division of Insurance (DOI) hosted seven consumer awareness and education events in communities across the Commonwealth.
- DOI updated several consumer education publications in print/web format.

#### 5.1.2 Next Steps

- Increase consumer outreach tied to seasonal schedules (winter storm, student health insurance/back to school, etc.).
- Broaden use of social media.
- Increase efforts to reach linguistic minorities.

### ► 5.1.3 Action Step

**Accelerate use of e-health technologies to support lower cost delivery of health care with equal or greater access and improved quality**

#### 5.1.3 Progress

- Launched Medicaid Electronic Health Records (EHR) Incentive Payment Program -- more than 3,000 providers receive payments totaling more than \$130 million.
- Launched [Massachusetts Health Information Highway](#) (the HIway)
  - Reduce administrative costs throughout the delivery system
  - Improve public health reporting and analytics
  - Enhance patient care communication among providers
  - Increase patient engagement with providers on care plans

#### 5.1.3 Next Steps

- Continue pushing Electronic Health Record (EHR) adoption.
- Focus adoption on behavioral health and long term care.
- Help Participants connect to Mass HIway.



## **5.2 Reduce energy costs while creating a diversified energy portfolio that balances competitive pricing with sustainability**

### **► 5.2.1 Action Step**

#### **5.2.1 Develop Holyoke and other well-suited locations as test beds for cost-competitive renewable energy and energy efficient technologies**

#### **5.2.1 Progress**

- Holyoke Gas & Electric, in partnership with ISO New England, the Massachusetts Green High Performance Computing Center, Massachusetts Clean Energy Center, UMass Amherst, and the Massachusetts Technology Collaborative, is engaged in test bed development activities in the areas of: unconventional hydroelectric power, battery storage, data and systems analysis, and fiber-to-the-curb.
- HG&E completed preliminary analysis of canal flow-rates to enable deployment of low-flow hydropower technology.
- HG&E issued RFI to assess potential test-bed partnerships.

#### **5.2.1 Next Steps**

- Develop business plan for Clean Energy Technical Assistance Center (CETAC).
- Finalize plans for CETAC and pass go/no go threshold with HG&E.
- Deploy a technology partnership.

### **► 5.2.2 Action Step**

#### **5.2.2 Keep energy supply costs competitive based on market conditions in the region**

#### **5.2.2 Progress:**

- By the end of 2012, the 3-year (2010-2012) Massachusetts [energy efficiency programs](#) will result in \$2.1 billion in total investment by programs and participants with a \$6 billion total lifetime benefits for citizens and businesses. Electric savings of over 2,600 GWh over three years, with 2012 savings representing 2.4 percent of annual retail energy sales. Lifetime electric savings from the three-year plan are projected to exceed 30,000 GWh. Natural gas savings of nearly 60 million therms over three years, with 2012 savings representing 1.15 percent of annual retail gas sales. Lifetime gas savings from the three-year plan are projected to reach nearly 900 million therms.

Greenhouse gas reductions of nearly 1.6 million metric tons over three years. Lifetime greenhouse gas reductions from the three-year plan are nearly 20 million metric tons. For more information about energy efficiency assistance, assessments, programs and funding opportunities, go to

- Provided information on resources available for a Combined Heat and Power (CHP) system. A CHP can effectively and reliably generate useful heat and electric power using less fuel than a typical system that generates power only. A CHP systems offer tremendous opportunities for customers with predictable and consistent heat and power needs (particularly large commercial, industrial, and institutional facilities), providing potential for significant economic savings and reductions in fuel consumption and greenhouse gas emissions.
- Helped cities and towns maximize energy efficiency in public buildings. The MA Department of Energy Resources, through its [Green Communities Division](#), is working to guide all 351 cities and towns along a path of enhanced energy efficiency and renewable energy toward zero net energy. The goal is to help cities and towns manage rising energy costs by maximizing energy efficiency in public buildings, including schools, city halls, and public works and public safety buildings and generate clean energy from renewable sources. To achieve these goals, the Division is becoming the energy hub for cities and towns, by providing the following:
  - Education about the benefits of energy efficiency and renewable energy
  - Guidance and technical assistance through the energy management process
  - Facilitation of informed decisions and actions
  - Collaboration through shared best practices among cities and towns
  - Local support from regional Green Communities coordinators
  - Opportunities to fund energy improvements
- Over 100 cities and towns are named Green Communities –criteria listed below:
  - Adopting local zoning bylaw or ordinance that allows “as-of-right siting” – allowing a project to proceed without requiring a special permit or any time of discretionary approval – for renewable and/or alternative energy research and development facilities, manufacturing facilities or generation units;
  - Adopting an expedited permitting process related to the as-of-right facilities;
  - Establishing a municipal energy use baseline and a program to reduce use by 20 percent within five years;
  - Purchasing only fuel-efficient vehicles for municipal use, whenever such vehicles are commercially available and practicable; and
  - Requiring all new residential construction over 3,000 square feet and all new commercial and industrial real estate construction to reduce

lifecycle energy costs (i.e. adoption of an energy-saving building “stretch code”).

- Approved new, three year Energy Efficiency Plans.
- Announced Accelerated Energy Program – reduces energy consumption at 700 state sites, save Massachusetts \$43 million annually, and create up to 4,000 jobs.

### 5.2.2 Next Steps:

- Implement new three year Energy Efficiency Plans.
- Implement Accelerated Energy Program.
- Measure and report progress and accomplishments as information becomes available.

### ► 5.2.3 Action Step

**Pursue large-scale hydro with other cost-competitive low carbon alternatives along with renewable generation under the Commonwealth’s renewable portfolio standards**

### 5.2.3 Progress

- Established Clear Goals and Benchmarks
  - The Commonwealth's goal is to achieve 250 MW of solar power installations by 2017.
  - The Commonwealth's goal is to install 2000 megawatts of wind energy by 2020.
- The Massachusetts Clean Cities Coalition is part of a nationwide program sponsored by the U.S. Department of Energy (DOE) that works to ***encourage the use of alternative fuel vehicles with the help of local businesses, organizations, and state and federal agencies.*** [Click here](#) for more information regarding the different kinds of renewable energy, funding programs and incentives, installation assistance available
- As directed by the Green Communities Act, it is the state’s goal to have clean energy generation serve 20% of customer load by 2020. Because much of that energy will be on-site electricity or distributed generation (like solar PV, wind, and combined heat and power), we are working to ensure that the interconnection process is as streamlined, uniform, and transparent as possible. The MA Department of Energy Resources in collaboration with the investor-owned electric utilities has created a [website](#) to focus on the utility interconnection process.

### 5.2.3 Next Steps

- DOER will begin discussions with stakeholders on the development of a region-wide procurement process for cost effective renewable generation.
- DOER will participate in the development of a clean energy and climate plan, which would develop a clean energy portfolio standard, and initiate a large-scale hydro feasibility study identifying barriers and opportunities.
- Measure and report progress and accomplishments as information becomes available.



## 5.3 Manage the impact on business of long-term cost pressures within state and local government

### ► 5.3.1 Action Step

**Conduct an assessment of the competitiveness and sustainability of the unemployment insurance system**

#### 5.3.1 Progress

- Governor Patrick filed legislation in January 2013 that will lower business costs and encourage job growth by freezing unemployment insurance rates for employers and reducing or eliminating the contributions they make to fund health care programs for low-income residents. Freezing the employer Unemployment Insurance (UI) contribution for 2013 at “E” will save employers an estimated \$500 million. This marks the fourth year in a row that Governor Patrick has advocated for freezing the UI rate in order to provide economic relief to employers. If passed, the Patrick-Murray Administration and the Legislature will have saved employers approximately \$1.7 billion over the last four years alone. Even with the freeze, the Unemployment Insurance Trust Fund balance will end 2013 with approximately \$600 million dollars.

#### 5.3.1 Next Steps

- Ongoing assessment and follow up as required

### ► 5.3.2 Action Step

**Continue to develop additional reforms as needed to further improve the sustainability of the pension system and to accelerate the attainment of a “well-funded” pension system as defined by industry and federal government standards**

#### 5.3.2 Progress

- The OPEB (*Other Post-Employment Benefits*) Commission has met several times during 2012 and issued the [Final Report](#) in January 2013. Recommendations outline potential savings for the Commonwealth and municipalities of \$20 billion over 30 years.
- The scope for the study of the pension system that will provide a public benefit while ensuring the ability to attract and retain public employees, as required by Section 62 of the Pension Reform Act (Chapter 176 of the Acts of 2011: An Act Providing for Pension Reform and Benefit Modernization) that was signed into law on November 18, 2011.

#### 5.3.2 Next Steps

- Follow up on OPEB Commission Final Report.



## **5.4 Make the tax structure more simple, competitive, and predictable by addressing the use of tax-based business incentives**

### ► 5.4.1 Action Step

**Focus on use of non-tax business incentives (such as workforce training, infrastructure investments and financing assistance) in developing and growing industry clusters**

#### 5.4.1 Progress

- Continued utilization of non-tax business incentives
- Recapitalized Workforce Competitive Trust Fund
- No new or expanded tax based business incentive programs introduced in 2011 – 2012



### 5.4.1. Next Steps

- Continue to utilize existing, effective, non-tax incentive programs in developing industry clusters

### ► 5.4.2 Action Step

**Establish standards for effectiveness and accountability for existing tax-based business incentives and use them to periodically evaluate existing incentives**

### 5.4.2 Progress

- [Tax Expenditure Commission Report](#) completed in April, 2012

### 5.4.2 Next Steps

- Review and follow up on findings and recommendations of the Tax Expenditure Commission Report

### ► 5.4.3 Action Step

**Only consider new tax-based business incentives to develop and grow industry clusters where such incentives meet established standards for effectiveness and accountability**

### 5.4.3 Progress

- No new or expanded tax based incentives created in 2011 – 2012

### 5.4.3 Next Steps

- Ensure that any new or expanded tax based incentives under consideration meet established standards for effectiveness and accountability